



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-63)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,

Transmittals 12-63 with attached transmittal and policy justification.

Dated: December 31, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

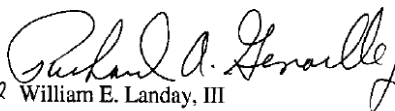
DEC 21 2012

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-63, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$125 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

for 
William E. Landay, III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 12-63

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Iraq
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$ 125 million</u>
TOTAL	\$ 125 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Very Small Aperture Terminal (VSAT) operations and maintenance services, equipment installation services, upgrade VSAT managed and leased bandwidth, video teleconferencing equipment, 75 VSAT Equipment Suites (consisting of 1.8m VSAT terminals, block up converters (BUCs), low-noise down converters (LNBs), required cables and components, iDirect e8350 modem, network operation and dynamic bandwidth equipment, and iMonitor software), spares and repair parts, tools, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor representative technical support services, and other related elements of logistics and program support.
- (iv) Military Department: Army (AAO, Amd #6)
- (v) Prior Related Cases, if any: FMS Case AAO-6Jun07-\$50M
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 21 December 2012

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of Iraq – VSAT Operations and Maintenance Support and Services

The Government of Iraq has requested a possible sale of Very Small Aperture Terminal (VSAT) operations and maintenance services, equipment installation services, upgrade VSAT managed and leased bandwidth, video teleconferencing equipment, 75 VSAT Equipment Suites (consisting of 1.8m VSAT terminals, block up converters (BUCs), low-noise down converters (LNBs), required cables and components, iDirect e8350 modem, network operation and dynamic bandwidth equipment, and iMonitor software), spares and repair parts, tools, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor representative technical support services, and other related elements of logistics and program support. The estimated cost is \$125 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country. This proposed sale directly supports the Iraqi government and serves the interests of the Iraqi people and the United States.

This proposed sale will continue U.S. support to the development of Iraqi Defense Network (IDN) VSAT terminals. Iraq intends to use these defense articles and services to provide command and control for its armed forces. The purchase of this equipment will enhance the Iraqi military's foundational capabilities, making it a more valuable partner in an important area of the world and supporting its legitimate needs for its own self-defense.

The proposed sale of this support and services will not alter the basic military balance in the region.

The principal contractors will be 3Di Technologies and L-3 Communications Company in Hanover, Maryland. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require U.S. Government or contractor representatives to travel to Iraq for delivery of operations and maintenance services, installation of new sites for each year of required operations and maintenance services, and field services to install and move VSAT sites and training for a period of one year.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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